

2013 DRAFTING REQUEST**Bill**

Received: **5/3/2013** Received By: **emueller**
 Wanted: **As time permits** Same as LRB:
 For: **Chad Weininger (608) 266-5840** By/Representing: **Kirsten Reader**
 May Contact: Drafter: **emueller**
 Subject: **Local Gov't - tax incr financing** Addl. Drafters:
 Extra Copies: **MES**

Submit via email: **YES**
 Requester's email: **Rep.Weininger@legis.wisconsin.gov**
 Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Short-term TIF; prohibit use of project costs for certain relocations

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	emueller 5/30/2013						
/P1	emueller 7/19/2013	jdyer 6/3/2013	phenry 6/3/2013		sbasford 6/3/2013		State S&L
/P2	emueller 10/4/2013	scalvin 7/22/2013	jfrantze 7/22/2013		lparisi 7/22/2013		State S&L
/P3	emueller	scalvin	jmurphy		lparisi		State

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	10/29/2013	10/4/2013	10/4/2013	_____	10/4/2013		S&L
/P4	emueller 11/5/2013	jdye 10/29/2013	jfrantze 10/29/2013	_____	lparisi 10/29/2013		State S&L
/1		jdye 11/5/2013	jmurphy 11/5/2013	_____	sbasford 11/5/2013	lparisi 11/5/2013	State S&L

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At
Intro.

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1 P3	EM 10/4/13	1 P3 sac 10/04/2013	Jim 10/4	Jim 10/4			

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1/? emueller

1/P1 EVM
 5/30/13

FE Sent For:

PI 6/3 jld 6
 ph ph

<END>

Shovers, Marc

From: Reader, Kirsten
Sent: Friday, May 03, 2013 12:08 PM
To: Shovers, Marc
Subject: RE: TIF bills

Hi, Marc:

I just wanted to check in on the TIF changes and bills I had sent in the below email to see if you had any questions/concerns.

Thanks!

Kirsten Reader
Research Assistant
Office of Representative Chad Weininger
4th Assembly District
125 West, State Capitol
608-266-1184 / kirsten.reader@legis.wisconsin.gov

From: Seeman, Kirsten
Sent: Wednesday, April 24, 2013 12:27 PM
To: Shovers, Marc
Subject: TIF bills

Hi, Marc:

First, I apologize for taking so long to get back to you regarding the TIF anti-piracy questions, but I wanted the opportunity to talk with Rep. Weininger about all of our TIF bills, so I could get back to you on drafting them all.

TIF Light

We would like to draft a bill that allows for a TIF Light option with TIFs. This legislation would outline that a TIF Light could be half the life of a normal TIF, but could be expanded upon approval by the Joint Review Board. School districts would be left out of the equation, so it would just include technical, municipal and county. It would include the anti-piracy clause (further explained in next section). Would allow the municipality to go over 12%.

Anti-Piracy

The anti-piracy provision should be included in the TIF Light bill, as seen above, as well as with the eligible development expense, further explained below. In answer to your questions from email dated Apr. 16:

1. The definition of the region is the contiguous counties to the county in which the development will reside.
2. It comes down to jobs, Rep. Weininger wants there to be an increase in jobs, so they can do a relocation if there are new jobs.
3. The local municipality would determine whether there have been new jobs or not. If there is not a gain in jobs, the municipality from which the business left may file a complaint with DOR, the complaint can be challenged by DOA, and if they are found to not have a net gain in jobs, DOR can terminate the TID that the business moved to with the intention of creating more jobs.
4. The net gain in employment should be determined by a net gain of jobs in the development.
5. The time frame should be one year within development for net gains to be determined.
6. Again, just net gain in employment at the specific development.
7. Just net gain in the development, not the county.

Mueller, Eric

From: Shovers, Marc
Sent: Friday, May 03, 2013 2:52 PM
To: Mueller, Eric
Subject: FW: TID Piracy - Net Gain & Relocation

Here is their original request on the "anti-piracy" language, and my questions.

From: Shovers, Marc
Sent: Monday, April 15, 2013 6:23 PM
To: Seeman, Kirsten
Subject: RE: TID Piracy - Net Gain & Relocation

Hi Kirsten:

Is there supposed to be a memo or something attached to this? Is this the entirety of the instructions?

Based on our conversation, I believe your preferences could be characterized as implementing something along the lines of the Iowa law, prohibiting TID expenditures paid to, or for the benefit of a business that relocates from elsewhere in the region, except that the test for eligible expenditures would differ from Iowa law in that your proposal would allow the expenditures so long as a relocation resulted in a net regional gain in employment.

I'm not sure exactly what you're asking for, and I'll need a lot more information to be able to complete this request.

Basically, is your intent that a city or village may not incur project costs, as defined in s. 66.1105 (2) (f) to benefit "a business that relocated from elsewhere in the region . . . unless the expenditures result in a net regional gain in employment"?

If this is what you mean, here is a list of the questions I have at this point.

- 1) What is the definition of "region?"
- 2) What is a "relocation?" Does a business have to completely close in one area, and then reopen in another area? What if the business moves its manufacturing operations, but keeps a warehouse near its original location? Has it relocated?
- 3) Who determines whether the expenditures result (or will result) in a gain in employment? How is this done? On what basis is the determination made?
- 4) How is a net regional gain in employment to be determined or measured? Must some person estimate what job growth in the region would have been over a certain period of time without the TID, and compare that estimate to what is estimated to occur because of the TID, or must one wait to determine if there is an actual net gain in employment?

- 5) Over what period of time is the determination about employment gain supposed to be made? Presumably, the expenditures would have to be made and some period of time must elapse to determine whether there are any net regional gains in employment.
- 6) What if there is no net gain in employment in the region? The expenditures would have made, right, but if there's no net employment gain, what happens? Would the city be penalized somehow? Do you envision any other consequences for a failure to achieve a net gain of jobs?
- 7) What would happen in this scenario: Assume a TID is created, it is successful, and its creation leads to a gain in jobs, but in another part of the city another company decides to move to China for reasons that are not at all related to the TID. If the company's move to China means that there's a net loss of jobs in the region during the period that is being measured, would the city that created the TID be penalized because there was a net loss of jobs in the region after the creation of a TID? What consequences would occur in light of the net loss of jobs in the city?

I know there are a lot of questions here, but I'll need to have an understanding of how this proposal is supposed to work before I can draft anything. Thanks for your help.

Marc

Marc Shovers
Managing Attorney
Legislative Reference Bureau
608-266-0129
marc.shovers@legis.wisconsin.gov

From: Seeman, Kirsten
Sent: Monday, April 15, 2013 1:13 PM
To: Shovers, Marc
Subject: FW: TID Piracy - Net Gain & Relocation

Marc:

Below are the drafting instructions for the other TIF bill Representative Weininger would like drafted.

Please let me know if you have questions,

Kirsten Seeman
Research Assistant
Office of Representative Chad Weininger
4th Assembly District
125 West, State Capitol

From: Grosz, Scott
Sent: Monday, April 15, 2013 1:12 PM
To: Seeman, Kirsten
Subject: RE: TID Piracy - Net Gain & Relocation

Kirsten,

If that is what you are looking for, and you haven't already done so, I think the instructions below would be sufficient instructions for you to give to LRB. As a reminder, the Iowa law may be found at Chapter 1124 of the 2012 Iowa Session Laws (in particular, section 19 of chapter 1124).

Scott

From: Seeman, Kirsten
Sent: Monday, April 15, 2013 12:29 PM
To: Grosz, Scott
Subject: RE: TID Piracy - Net Gain & Relocation

Hi, Scott:

This is correct.

Kirsten Seeman
Research Assistant
Office of Representative Chad Weininger
4th Assembly District
125 West, State Capitol
608-266-1184 / kirsten.seeman@legis.wisconsin.gov

From: Grosz, Scott
Sent: Tuesday, April 02, 2013 4:36 PM
To: Seeman, Kirsten
Subject: TID Piracy - Net Gain & Relocation

Kirsten,

Let me know how you would like to proceed on the drafting instructions for the TID "piracy" issue.

Based on our conversation, I believe your preferences could be characterized as implementing something along the lines of the Iowa law, prohibiting TID expenditures paid to, or for the benefit of a business that relocates from elsewhere in the region, except that the test for eligible expenditures would differ from Iowa law in that your proposal would allow the expenditures so long as a relocation resulted in a net regional gain in employment.

Thanks,

Scott



(D Note)
State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-2309/P1

EVM:.....

jld

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

(RMR)

in 5/30/13

pwfu

Soon

X

(Gen)

1 **AN ACT ...; relating to:** short-term tax incremental districts and expenditure of
2 tax increments for relocation of commercial or industrial enterprises.✓

Analysis by the Legislative Reference Bureau

✓ This is a preliminary draft. An analysis will be provided in a subsequent version of this draft. ✓

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 66.1105 (2) (f) 4. of the statutes is created to read:
4 66.1105 (2) (f) 4. a. In this subdivision, ✓ "relocation" means the closure or
5 substantial reduction of the existing operations of an enterprise in ✓ one area of the
6 state and the initiation of substantially the same operation by the same or an
7 affiliated enterprise in the same county or a contiguous county in the state. ✓

1 b. Notwithstanding subd. 1 and except as provided in subd. 4. c., project costs
2 may not include expenditures for, or used in connection with, the relocation of a
3 commercial or industrial enterprise not currently located within the city.

4 c. Project costs may include costs excluded under subd. 4. b. if, within one year
5 after the relocation, the enterprise has increased the number of individuals it
6 employs in the combination of the location from which it reduced or closed operations
7 and the location to which it relocated.

8 SECTION 2. 66.1105 (4) (bm) of the statutes is created to read:

9 66.1105 (4) (bm) A recommendation by the planning commission to the local
10 legislative body as to whether the proposed tax incremental district should be a
11 short-term tax incremental district.

12 SECTION 3. 66.1105 (4) (gm) 2m. of the statutes is created to read:

13 66.1105 (4) (gm) 2m. Designates the district as either a full-term tax
14 incremental district or a short-term tax incremental district.

15 SECTION 4. 66.1105 (4m) (a) of the statutes is amended to read:

16 66.1105 (4m) (a) Any city that seeks to create a tax incremental district, amend
17 a project plan, or incur project costs as described in sub. (2) (f) 1. n. for an area that
18 is outside of a district's boundaries, shall convene a temporary joint review board
19 under this paragraph, or a standing joint review board under sub. (3) (g), to review
20 the proposal. ~~par.~~ par. Except as provided in ~~par.~~ par. (am) and ~~(as)~~ and ~~(aw)~~ and and subject to par. (ae),
21 the board shall consist of one representative chosen by the school district that has
22 power to levy taxes on the property within the tax incremental district, one
23 representative chosen by the technical college district that has power to levy taxes
24 on the property within the tax incremental district, one representative chosen by the
25 county that has power to levy taxes on the property within the tax incremental

1 district, one representative chosen by the city, and one public member. If more than
2 one school district, more than one union high school district, more than one
3 elementary school district, more than one technical college district or more than one
4 county has the power to levy taxes on the property within the tax incremental
5 district, the unit in which is located property of the tax incremental district that has
6 the greatest value shall choose that representative to the board. The public member
7 and the board's chairperson shall be selected by a majority of the other board
8 members before the public hearing under sub. (4) (a) or (h) 1. is held. All board
9 members shall be appointed and the first board meeting held within 14 days after
10 the notice is published under sub. (4) (a) or (h) 1. Additional meetings of the board
11 shall be held upon the call of any member. The city that seeks to create the tax
12 incremental district, amend its project plan, or make or incur an expenditure as
13 described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries shall
14 provide administrative support for the board. By majority vote, the board may
15 disband following approval or rejection of the proposal, unless the board is a standing
16 board that is created by the city under sub. (3) (g).

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 2, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2; s. 13.92 (1) (bm) 2., (2) (i).

17 **SECTION 5. 66.1105 (4m) (aw) of the statutes is created to read:**

18 66.1105 (4m) (aw) If review under this section[✓] relates to a short-term tax
19 incremental district, the board may not include any representative chosen by a
20 school district.[✓]

21 **SECTION 6. 66.1105 (6) (a) 11. of the statutes is created to read:**

22 66.1105 (6) (a) 11. Notwithstanding subds. 7. and 8., [✓]fourteen[✓] years after the¹⁴
23 tax incremental district is created if the district is a[✓] short-term tax incremental

1 district, except that if the life of the district is extended under sub. (7) (ao), an
 2 allocation under this subsection may be made for the period for which the district is
 3 extended not to exceed 27 years.

4 **SECTION 7.** 66.1105 (6) (g) 1. (intro.) of the statutes is amended to read:

5 66.1105 (6) (g) 1. (intro.) After the date on which a tax incremental district
 6 created by a city pays off the aggregate of all of its project costs, and notwithstanding
 7 the time at which such a district would otherwise be required to terminate under sub.
 8 (7), a city may extend the life of the district, except a short-term tax incremental
 9 district, for one year if the city does all of the following:

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 12, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2; s. 13.92 (1) (bm) 2., (2) (i).

10 **SECTION 8.** 66.1105 (7) (ao) of the statutes is created to read:

11 66.1105 (7) (ao) Notwithstanding par. (am), for a short-term tax incremental
 12 district, 14 years, except that the city that created the district may, subject to sub.
 13 (8) (e), request that the joint review board extend the life of the district for not more
 14 than 13 years.

15 **SECTION 9.** 66.1105 (8) (e) of the statutes is amended to read:

16 66.1105 (8) (e) A city shall notify the department of revenue at least one year
 17 before the date on which a tax incremental district is required to terminate under
 18 sub. (7) (am) or (ao) if a joint review board approves a request to extend the life of the
 19 district under sub. (7) (am) or (ao). If a city does not notify the department of revenue
 20 by that date, the department may deny the extension.

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 12, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2; s. 13.92 (1) (bm) 2., (2) (i).

21 **SECTION 10.** 66.1105 (17) (d) of the statutes is created to read:

1 66.1105 (17) (d) *Short-term tax incremental district exception.* The 12 percent
2 limit in sub. (4) (gm) 4. c. does not apply to a short-term tax incremental district.

3 SECTION 11. 66.1105 (18) (c) 5. of the statutes is created to read:

4 66.1105 (18) (c) 5. A multijurisdictional tax incremental district may not
5 include a short-term tax incremental district.

6 (END)

D Note

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2309/P1dn


EVM:.....

date

jld

ATTN: Rep. Chad Weininger ✓


Please review the attached draft carefully to ensure that it is consistent with your intent. The following are several issues you may wish to consider in your review of this draft.

* 1. I provided a simplified expiration date - 14 years plus up to 13 ✓ additional years. Please let me know if you want to provide additional details regarding the expiration date and potential extension. See, e.g., s. 66.1105 (7) (am) 2. and 3., stats. 

* 2. I understood the instructions to request the relocation provisions apply to all TIDs under s. 66.1105. ✓ Please let me know if this does not meet your intent.

3. In drafting s. 66.1105 (2) (f) 4., ✓ I substantially adopted the language of the Iowa prohibition on the use of urban renewal moneys for "relocation." ✓ I did not, however, include the exceptions to the prohibition. See 2012 Iowa Acts ch. 1124, s. 19. Do you want these exceptions included?

4. The exception to the relocation prohibition in your instructions would permit relocation if net regional employment increases. This draft essentially makes "region" mean the county from which the enterprise relocated plus the county to which the enterprise relocated. Do you instead want to include the county to which the enterprise relocated and all counties contiguous to this county? ✓ Something else?

* 5. This draft prohibits project costs from including relocation/spending. It does not, however, include any specific enforcement mechanism. Your email responses to Marc Shovers' initial questions regarding this draft indicated that a violation of the relocation prohibition should result in DOR termination of a TID upon complaint by the municipality from which the enterprise relocated. ✓ Does my explanation correctly restate your intended enforcement procedure? Do you want this procedure to be specified in the statutes? Should there be a hearing? Notice to the municipality alleged to have improperly used project costs? May DOR refuse to establish a base for a TID that includes project costs with apparent relocation costs? ✓ May DOR inquire into suspicious project costs? 

Please note, relocation expenses may be only one portion, even a small portion, of project costs incurred by a municipality for a TID. ✓ Prematurely ending a TID for which

large project costs have been expended may place a significant burden on the municipality sponsoring the TID.✓ Also, if the project plan for a TID is only partially complete, an early termination of the TID may mean that expected developments do not occur, potentially negatively impacting the TID, neighboring districts, the local governments in the area, and businesses that located in the TID expecting certain developments to be made.✓ A termination requirement may also have an impact on TID bonds.

6. Your exception to the relocation prohibition may also be problematic.✓ If I have correctly drafted your intended exception, costs that would be otherwise prohibited may be permissible if certain employment standards are met after the costs are expended. This contingent exception may encourage risk taking or manipulation of employment figures. For example, is an adequate employment figure at one✓ year after relocation sufficient if it is maintained for only a brief period? How is the base determined? May outside economic forces be considered?✓

7. Also, the restriction on use of project moneys for relocation expenditures is itself somewhat vague. What constitutes spending for, or in connection with, a relocation? Only specifically relocation costs?✓ Marketing efforts directed at contiguous counties? Does a violative✓ expenditure have to be clearly prohibited at the time of approving project costs? Or may a facially adequate project cost become a violation at the time of expenditure? Is the municipality responsible for actions of contractors?✓

8. Do you want to allow short-term environmental remediation TIDs, short-term multijurisdictional TIDs, short-term donor TIDs,✓ distressed or severely distressed short-term TIDs? This draft excludes all of these. Please let me know if you want to authorize any of these variations. (05)

Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.✓

Eric V. Mueller
Legislative Attorney
Phone: (608) 261-7032
E-mail: eric.mueller@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2309/P1dn
EVM:jld:ph

June 3, 2013

ATTN: Rep. Chad Weininger

Please review the attached draft carefully to ensure that it is consistent with your intent. The following are several issues you may wish to consider in your review of this draft.

1. I provided a simplified expiration date — 14 years plus up to 13 additional years. Please let me know if you want to provide additional details regarding the expiration date and potential extension. See, e.g., s. 66.1105 (7) (am) 2. and 3., stats.
2. I understood the instructions to request the relocation provisions apply to all TIDs under s. 66.1105. Please let me know if this does not meet your intent.
3. In drafting s. 66.1105 (2) (f) 4., I substantially adopted the language of the Iowa prohibition on the use of urban renewal moneys for “relocation.” I did not, however, include the exceptions to the prohibition. See 2012 Iowa Acts ch. 1124, s. 19. Do you want these exceptions included?
4. The exception to the relocation prohibition in your instructions would permit relocation if net regional employment increases. This draft essentially makes “region” mean the county from which the enterprise relocated plus the county to which the enterprise relocated. Do you instead want to include the county to which the enterprise relocated and all counties contiguous to this county? Something else?
5. This draft prohibits project costs from including relocation spending. It does not, however, include any specific enforcement mechanism. Your e-mail responses to Marc Shovers’ initial questions regarding this draft indicated that a violation of the relocation prohibition should result in DOR termination of a TID upon complaint by the municipality from which the enterprise relocated. Does my explanation correctly restate your intended enforcement procedure? Do you want this procedure to be specified in the statutes? Should there be a hearing? Notice to the municipality alleged to have improperly used project costs? May DOR refuse to establish a base for a TID that includes project costs with apparent relocation costs? May DOR inquire into suspicious project costs?

Please note, relocation expenses may be only one portion, even a small portion, of project costs incurred by a municipality for a TID. Prematurely ending a TID for which

large project costs have been expended may place a significant burden on the municipality sponsoring the TID. Also, if the project plan for a TID is only partially complete, an early termination of the TID may mean that expected developments do not occur, potentially negatively impacting the TID, neighboring districts, the local governments in the area, and businesses that located in the TID expecting certain developments to be made. A termination requirement may also have an impact on TID bonds.

6. Your exception to the relocation prohibition may also be problematic. If I have correctly drafted your intended exception, costs that would be otherwise prohibited may be permissible if certain employment standards are met after the costs are expended. This contingent exception may encourage risk taking or manipulation of employment figures. For example, is an adequate employment figure at one year after relocation sufficient if it is maintained for only a brief period? How is the base determined? May outside economic forces be considered?

7. Also, the restriction on use of project moneys for relocation expenditures is itself somewhat vague. What constitutes spending for, or in connection with, a relocation? Only specifically relocation costs? Marketing efforts directed at contiguous counties? Does a violative expenditure have to be clearly prohibited at the time of approving project costs? Or may a facially adequate project cost become a violation at the time of expenditure? Is the municipality responsible for actions of contractors?

8. Do you want to allow short-term environmental remediation TIDs, short-term multijurisdictional TIDs, short-term donor TIDs, or distressed or severely distressed short-term TIDs? This draft excludes all of these. Please let me know if you want to authorize any of these variations.

Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.

Eric V. Mueller
Legislative Attorney
Phone: (608) 261-7032
E-mail: eric.mueller@legis.wisconsin.gov

Mueller, Eric

From: Reader, Kirsten
Sent: Thursday, June 20, 2013 1:34 PM
To: Mueller, Eric
Subject: LRB - 2309/P1

Hi, Eric:

Below are comments and changes we would like to LRB 2309/P1, the TIF Light legislation.

Regarding your draft note, the time frame looks fine and Rep. Weininger will keep it the way you have it written.

This anti-piracy provisions should only be a pilot program – for those TIDS that exceed the 12% rule (this is allowed under the draft Marc Shovers is currently working on) and for the spot TIDs that are in this bill.

For the relocation prohibition, we would like to change it to the county to which the enterprise relocated and all counties contiguous to this county.

As for the enforcement mechanism, this is what Representative Weininger would like: a municipality A can file a complaint to the municipality B who took a business from their TID, and request that municipality B pay up to 5 years in lost property taxes if municipality A believes and can prove there were no new jobs created. If the municipality B refuses to pay the lost property taxes, municipality A may bring the complaint to DOR which will look to see if there actually were jobs created. DOR may then have municipality B pay at least 10 years of lost property taxes OR terminate the TID – this remains up to DOR.

As for employment figures, the business must employ new employees for at least one year.

Per you question number 8, Rep. Weininger would like all of the TIDs you listed to be eligible for this.

Let me know if there are questions. Thanks, Eric!

Kirsten Reader
Research Assistant
Office of Representative Chad Weininger
4th Assembly District
125 West, State Capitol
608-266-5840 / Kirsten.Reader@legis.wisconsin.gov



DNote
State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-2309/01
EVM:jld/pls

1 sac

RMR

pl

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

INSERT

in 7/19/13

Soon

regen

1 **AN ACT** to amend 66.1105 (4m) (a), 66.1105 (6) (g) 1. (intro.) and 66.1105 (8) (e);
2 and to create 66.1105 (2) (f) 4., 66.1105 (4) (bm), 66.1105 (4) (gm) 2m., 66.1105
3 (4m) (aw), 66.1105 (6) (a) 11., 66.1105 (7) (ao), 66.1105 (17) (d) and 66.1105 (18)
4 (c) 5. of the statutes, relating to: short-term tax incremental districts and
5 expenditure of tax increments for relocation of commercial or industrial
6 enterprises.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

x

SECTION 1. 66.1105 (2) (f) 4. of the statutes is created to read:

66.1105 (2) (f) 4. a. In this subdivision, "relocation" means the closure or
substantial reduction of the existing operations of an enterprise in one area of the

7

8

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INS
1-7

state and the initiation of substantially the same operation, by the same or an affiliated enterprise in the same county or a contiguous county in the state.

a. Notwithstanding subd. 1. and except as provided in subd. 4. ^{b.} project costs for a short-term tax incremental district may not include expenditures for, or used in connection with, the relocation of a ^{enterprise transfer}

commercial or industrial enterprise not currently located within the city.

b. ^{for a short-term tax incremental district} Project costs may include costs excluded under subd. 4. ^{a.} ~~but~~, within one year after the relocation, ^{enterprise transfer} the enterprise has increased the number of individuals it employs in the combination of the location from which it reduced or closed operations and the location to which it relocated. ^{transferred and maintains the increase for not less than one year}

SECTION 2. 66.1105 (4) (bm) of the statutes is created to read:

66.1105 (4) (bm) A recommendation by the planning commission to the local legislative body as to whether the proposed tax incremental district should be a ^{full-term tax incremental district or a} short-term tax incremental district.

SECTION 3. 66.1105 (4) (gm) 2m. of the statutes is created to read:

66.1105 (4) (gm) 2m. Designates the district as either a full-term tax incremental district or a short-term tax incremental district.

SECTION 4. 66.1105 (4m) (a) of the statutes is amended to read:

66.1105 (4m) (a) Any city that seeks to create a tax incremental district, amend a project plan, or incur project costs as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries, shall convene a temporary joint review board under this paragraph, or a standing joint review board under sub. (3) (g), to review the proposal. Except as provided in ~~par.~~ pars. (am) ~~and~~, (as), and (aw), and subject to par. (ae), the board shall consist of one representative chosen by the school district that has power to levy taxes on the property within the tax incremental district, one representative chosen by the technical college district that has power to levy taxes

1 on the property within the tax incremental district, one representative chosen by the
2 county that has power to levy taxes on the property within the tax incremental
3 district, one representative chosen by the city, and one public member. If more than
4 one school district, more than one union high school district, more than one
5 elementary school district, more than one technical college district or more than one
6 county has the power to levy taxes on the property within the tax incremental
7 district, the unit in which is located property of the tax incremental district that has
8 the greatest value shall choose that representative to the board. The public member
9 and the board's chairperson shall be selected by a majority of the other board
10 members before the public hearing under sub. (4) (a) or (h) 1. is held. All board
11 members shall be appointed and the first board meeting held within 14 days after
12 the notice is published under sub. (4) (a) or (h) 1. Additional meetings of the board
13 shall be held upon the call of any member. The city that seeks to create the tax
14 incremental district, amend its project plan, or make or incur an expenditure as
15 described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries shall
16 provide administrative support for the board. By majority vote, the board may
17 disband following approval or rejection of the proposal, unless the board is a standing
18 board that is created by the city under sub. (3) (g).

19 **SECTION 5.** 66.1105 (4m) ^x (aw) of the statutes is created to read:

20 66.1105 (4m) (aw) If review under this section relates to a short-term tax
21 incremental district, the board may not include any representative chosen by a
22 school district.

23 **SECTION 6.** 66.1105 (6) (a) ^{12.} ~~11.~~ ^{12.} of the statutes is created to read:

24 66.1105 (6) (a) ^{12.} ~~11.~~ Notwithstanding subds. 7. and 8., 14 years after the tax
25 incremental district is created if the district is a short-term tax incremental district,

1 except that, if the life of the district is extended under sub. (7) (ao), an allocation
2 under this subsection may be made for the period for which the district is extended
3 not to exceed 27 years.

4 **SECTION 7.** 66.1105 (6) (g) 1. (intro.) of the statutes is amended to read:

5 66.1105 (6) (g) 1. (intro.) After the date on which a tax incremental district
6 created by a city pays off the aggregate of all of its project costs, and notwithstanding
7 the time at which such a district would otherwise be required to terminate under sub.
8 (7), a city may extend the life of the district, except a short-term tax incremental
9 district, for one year if the city does all of the following:

10 **SECTION 8.** 66.1105 (7) (ao) of the statutes is created to read:

11 66.1105 (7) (ao) Notwithstanding par. (am), for a short-term tax incremental
12 district, 14 years, except that the city that created the district may, subject to sub.
13 (8) (e), request that the joint review board extend the life of the district for not more
14 than 13 years.

15 **SECTION 9.** 66.1105 (8) (e) of the statutes is amended to read:

16 66.1105 (8) (e) A city shall notify the department of revenue at least one year
17 before the date on which a tax incremental district is required to terminate under
18 sub. (7) (am) or (ao) if a joint review board approves a request to extend the life of the
19 district under sub. (7) (am) or (ao). If a city does not notify the department of revenue
20 by that date, the department may deny the extension.

21 **SECTION 10.** 66.1105 (17) (d) of the statutes is created to read:

22 66.1105 (17) (d) *Short-term tax incremental district exception.* The 12 percent
23 limit in sub. (4) (gm) 4. c. does not apply to a short-term tax incremental district.

24 **SECTION 11.** 66.1105 (18) (c) 5. of the statutes is created to read:

1 66.1105 (18) (c) 5. A multijurisdictional tax incremental district may not
2 include a short-term tax incremental district.

3

(END)

INS

5-3

(Y) Note

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2309/P2ins
EVM:jld:ph

1 INS 1-7

2
3 **SECTION 1.** 66.1105 (2) (ak) of the statutes is created to read:

4 ✕
5 66.1105 (2) (ak) "Enterprise transfer" means the initiation of operations in a
6 location by the same or an affiliated enterprise that has closed or substantially
7 reduced operations in the same county or a contiguous county in the state.

8 INS 2-10

9
10 ✕
11 **SECTION 2.** 66.1105 (2) (hm) of the statutes is created to read:

12 66.1105 (2) (hm) "Short-term tax incremental district" means a tax
13 incremental district designated as a short-term tax incremental district under sub.
14 (4) (gm) 2m. and approved by the joint review board under sub. (4m).

15 INS 4-10

16
17 ✓
18 **SECTION 3.** 66.1105 (6) (f) 1. (intro.) of the statutes is amended to read:

19 66.1105 (6) (f) 1. (intro.) Not later than the date on which a tax incremental
20 district terminates under sub. (7) (am) or (ao), a planning commission may amend
21 under sub. (4) (h) the project plan of a tax incremental district to allocate positive tax
22 increments generated by that tax incremental district to another tax incremental
 district created by that planning commission if all of the following conditions are met:

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 12, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2; s. 13.92 (1) (bm) 2., (2) (i).

SECTION 4. 66.1105 (6) (g) 2. of the statutes is amended to read:

66.1105 (6) (g) 2. If the department of revenue receives a notice described under subd. 1. b., it shall continue authorizing the allocation of tax increments to the district under par. (a) during the district's life, as extended by the city, as if the district's costs had not been paid off and without regard to whether any of the time periods specified in par. (a) 2. to 8. or 12. would otherwise require terminating the allocation of such increments.

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 12, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2; s. 13.92 (1) (bm) 2., (2) (i).

INS 4-15

SECTION 5. 66.1105 (7) (c) of the statutes is created to read:

66.1105 (7) (c) The department orders the district terminated under s. 66.1105 (19). Upon termination under this paragraph, the city becomes liable for all unpaid projects costs actually incurred which are not paid from the special fund under sub. (6) (c), except this paragraph does not make the city liable for any tax incremental bonds or notes issued.

INS 5-3

SECTION 6. 66.1105 (18) (b) 11. a. of the statutes is amended to read:

66.1105 (18) (b) 11. a. Whether the district's life may be extended under sub. (6) (g) 1. or (7) (am) 2. or 3. or (ao).

History: 1975 c. 105, 199, 311; 1977 c. 29 ss. 724m, 725, 1646 (1), (3); 1977 c. 418; 1979 c. 221, 343; 1979 c. 361 s. 112; 1981 c. 20, 317; 1983 a. 27, 31, 207, 320, 405, 538; 1985 a. 29, 39, 285; 1987 a. 27, 186, 395; 1989 a. 31, 336; 1993 a. 293, 337, 399; 1995 a. 27 ss. 3330c to 3337, 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 335; 1997 a. 3, 27, 237, 252; 1999 a. 9; 1999 a. 150 ss. 457 to 472; Stats. 1999 s. 66.1105; 2001 a. 5, 11, 16, 104; 2003 a. 34, 46, 126, 127, 194, 320, 326; 2005 a. 6, 13, 46, 328, 331, 385; 2007 a. 2, 10, 21, 41, 43, 57, 73, 96; 2009 a. 5, 28, 67, 170, 176, 310, 312; 2011 a. 10, 12, 32, 40, 41, 77, 137, 139; 2011 a. 260 s. 81; 2013 a. 2; s. 13.92 (1) (bm) 2., (2) (i).

*

SECTION 7. 66.1105 (19) of the statutes is created to read:

66.1105 (19) DISPUTES RELATED TO ENTERPRISE TRANSFERS. (a) In this subsection, "municipality" means a city, village, or town.

(b) A municipality in which an enterprise closed or substantially reduced operations may request that the municipality in which the enterprise initiated operations pay not more than the estimated amount of property taxes that would have been paid over the subsequent 5 years by the enterprise if the municipality in which an enterprise closed or substantially reduced operations reasonably believes each of the following:

1. The closing or substantial reduction of operations and the initiation of operations of the enterprise constitutes an enterprise transfer, as defined in s. 66.1105 (2) (ak).

2. The municipality in which the enterprise initiated operations included in project costs expenditures that are not permitted under par. (2) (f) 4. a. in relation to the enterprise.

^c
(b) If the municipality in which the enterprise initiated operations denies the request under par. ^b(a), the municipality in which the enterprise closed or substantially reduced operations may petition the department of revenue for a determination of whether par. (b) 1. and 2. applies.

^d
(c) If the department of revenue determines that the petitioner municipality has demonstrated the application of par. (b) 1. and 2., the department may order the respondent municipality to pay not more than the estimated amount of property taxes that would have been paid over the subsequent 10 years by the enterprise or may order the tax incremental district be terminated.

*

SECTION 8. 66.1106 (1) (jt) of the statutes is created to read:

1 66.1106 (1) (jt) "Short-term environmental remediation tax incremental
2 district" means an environmental remediation tax incremental district designated
3 as a short-term environmental remediation tax incremental district under sub. (1m)
4 (am) and approved by the joint review board under sub. (3).

5 **SECTION 9.** 66.1106 (1m) (am) of the statutes is created to read:

6 66.1106 (1m) (am) Designates the district as either a full-term environmental
7 remediation tax incremental district or a short-term environmental remediation tax
8 incremental district.

9 **SECTION 10.** 66.1106 (3) (a) of the statutes is amended to read:

10 66.1106 (3) (a) Any political subdivision that seeks to use an environmental
11 remediation tax increment under sub. (2) shall convene a joint review board to review
12 the proposal. The Except as provided in par. (e), the board shall consist of one
13 representative chosen by the school district that has power to levy taxes on the
14 property that is remediated, one representative chosen by the technical college
15 district that has power to levy taxes on the property, one representative chosen by
16 the county that has power to levy taxes on the property that is remediated, one
17 representative chosen by the city, village or town that has power to levy taxes on the
18 property that is remediated and one public member. If more than one city, village or
19 town, more than one school district, more than one technical college district or more
20 than one county has the power to levy taxes on the property that is remediated, the
21 unit in which is located property that has the greatest value shall choose that
22 representative to the board. The public member and the board's chairperson shall
23 be selected by a majority of the other board members at the board's first meeting.
24 All board members shall be appointed and the first board meeting held within 14
25 days after the political subdivision's governing body approves the written proposal

1 under sub. (2). Additional meetings of the board shall be held upon the call of any
2 member. The political subdivision that seeks to act under sub. (2) shall provide
3 administrative support for the board. By majority vote, the board may disband
4 following approval or rejection of the proposal.

History: 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59; 2003 a. 126; 2005 a. 246, 418; 2009 a. 28, 66, 312; 2011 a. 260.

5 **SECTION 11.** 66.1106 (3) (e) of the statutes is created to read:

6 66.1106 (3) (e) If review under this section relates to a short-term
7 environmental remediation tax incremental district, the board may not include any
8 representative chosen by a school district.

9 **SECTION 12.** 66.1106 (7) (e) 2. of the statutes is amended to read:

10 66.1106 (7) (e) 2. The donor district terminates under sub. (11) (b) or (bm).

History: 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59; 2003 a. 126; 2005 a. 246, 418; 2009 a. 28, 66, 312; 2011 a. 260.

11 **SECTION 13.** 66.1106 (11) (bm) of the statutes is created to read:

12 66.1106 (11) (bm) Fourteen years after the department certifies the short-term
13 environmental remediation tax incremental base of a parcel or contiguous parcels or
14 property under sub. (4), except that the city that created the district may, subject to
15 sub. (12), request that the joint review board extend the life of the district for not
16 more than 13 years.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2309/P2dn

EVM:ld:ph

sac

ATTN: Rep. Chad Weininger

Please review the attached draft carefully to ensure that it is consistent with your intent. The following are several issues you may wish to consider in your review of this draft.

1. Per your instructions, this draft allows short-term environmental remediation TIDs, short-term multijurisdictional TIDs, and certain short-term donor TIDs. This draft does not, however, allow short-term donor TIDs under s. 66.1105 (6) (e) or short-term distressed or severely distressed TIDs. I believe my previous note failed to provide important information regarding these latter two groups. While this draft does not expressly prohibit short-term s. 66.1105 (6) (e) donor TIDs or short-term distressed or severely distressed TIDs, each of these groups is limited to TIDs that were created some time in the past – before 1996 for s. 66.1105 (6) (e) donor TIDs and before 2008 for distressed or severely distressed TIDs. Because short-term TIDs will all be created after these deadlines, they will not be eligible for either of these groups unless the eligibility dates are changed. Do you want to change the eligibility dates for these TID groups? If so, do you want to change the eligibility dates for all potential group members or only short-term members?

2. Do you want to allow DOR to impose both 10 years property tax revenue and termination of a TID in a single case if DOR finds the sanction warranted? Do you want these to be the only penalties DOR may impose or may DOR impose different penalties in its discretion?

3. Please review s. 66.1105 (7) (c), as created in this draft. The provision provides some guidance regarding the handling of post-termination TID finances when a TID is terminated pursuant to DOR order. The provision is based on existing s. 66.1105 (7) (b) . Please let me know if you want any changes to this provision. In particular, you may wish to consider the impact of an early termination of a TID on bondholders and whether a DOR[^]directed early termination requires different treatment of bonding matters than a voluntary early termination.

* Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible “/1” draft.

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DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2309/P2dn
EVM:sac:jf

July 22, 2013

ATTN: Rep. Chad Weininger

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Please let me know if you would like any changes made to the attached draft or if you have any questions. If the attached draft meets with your approval, let me know and I will convert it to an introducible “/1” draft.

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State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-2309/P2/P3
EVM:jld&sac:ff

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

RMR

Change to
Analysis Only

10/4/13

Today

— gen cat

1 AN ACT *to amend* 66.1105 (4m) (a), 66.1105 (6) (f) 1. (intro.), 66.1105 (6) (g) 2.,
2 66.1105 (8) (e), 66.1105 (18) (b) 11. a., 66.1106 (3) (a) and 66.1106 (7) (e) 2.; and
3 *to create* 66.1105 (2) (ak), 66.1105 (2) (f) 4., 66.1105 (2) (hm), 66.1105 (4) (bm),
4 66.1105 (4) (gm) 2m., 66.1105 (4m) (aw), 66.1105 (6) (a) 12., 66.1105 (7) (ao),
5 66.1105 (7) (c), 66.1105 (17) (d), 66.1105 (19), 66.1106 (1) (jt), 66.1106 (1m) (am),
6 66.1106 (3) (e) and 66.1106 (11) (bm) of the statutes; **relating to:** short-term
7 tax incremental districts and expenditure of tax increments for relocation of
8 commercial or industrial enterprises.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

INS -
Analysis

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 66.1105 (2) (ak) of the statutes is created to read:

2 66.1105 (2) (ak) "Enterprise transfer" means the initiation of operations in a
3 location by the same or an affiliated enterprise that has closed or substantially
4 reduced operations in the same county or a contiguous county in the state.

5 **SECTION 2.** 66.1105 (2) (f) 4. of the statutes is created to read:

6 66.1105 (2) (f) 4. a. Notwithstanding subd. 1. and except as provided in subd.
7 4. b., project costs for a short-term tax incremental district may not include
8 expenditures for, or used in connection with, the enterprise transfer of a commercial
9 or industrial enterprise not currently located within the city.

10 b. Project costs for a short-term tax incremental district may include costs
11 excluded under subd. 4. a. if, within one year after the enterprise transfer, the
12 enterprise has increased the number of individuals it employs in the combination of
13 the location from which it reduced or closed operations and the location to which it
14 transferred and maintains the increase for not less than one year.

15 **SECTION 3.** 66.1105 (2) (hm) of the statutes is created to read:

16 66.1105 (2) (hm) "Short-term tax incremental district" means a tax
17 incremental district designated as a short-term tax incremental district under sub.
18 (4) (gm) 2m. and approved by the joint review board under sub. (4m).

19 **SECTION 4.** 66.1105 (4) (bm) of the statutes is created to read:

20 66.1105 (4) (bm) Recommendation by the planning commission to the local
21 legislative body as to whether the proposed tax incremental district should be a
22 full-term tax incremental district or a short-term tax incremental district.

23 **SECTION 5.** 66.1105 (4) (gm) 2m. of the statutes is created to read:

24 66.1105 (4) (gm) 2m. Designates the district as either a full-term tax
25 incremental district or a short-term tax incremental district.

SECTION 6. 66.1105 (4m) (a) of the statutes is amended to read:

66.1105 (4m) (a) Any city that seeks to create a tax incremental district, amend a project plan, or incur project costs as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries, shall convene a temporary joint review board under this paragraph, or a standing joint review board under sub. (3) (g), to review the proposal. Except as provided in ~~par. pars.~~ (am) ~~and~~, (as), and (aw), and subject to par. (ae), the board shall consist of one representative chosen by the school district that has power to levy taxes on the property within the tax incremental district, one representative chosen by the technical college district that has power to levy taxes on the property within the tax incremental district, one representative chosen by the county that has power to levy taxes on the property within the tax incremental district, one representative chosen by the city, and one public member. If more than one school district, more than one union high school district, more than one elementary school district, more than one technical college district or more than one county has the power to levy taxes on the property within the tax incremental district, the unit in which is located property of the tax incremental district that has the greatest value shall choose that representative to the board. The public member and the board's chairperson shall be selected by a majority of the other board members before the public hearing under sub. (4) (a) or (h) 1. is held. All board members shall be appointed and the first board meeting held within 14 days after the notice is published under sub. (4) (a) or (h) 1. Additional meetings of the board shall be held upon the call of any member. The city that seeks to create the tax incremental district, amend its project plan, or make or incur an expenditure as described in sub. (2) (f) 1. n. for an area that is outside of a district's boundaries shall provide administrative support for the board. By majority vote, the board may

1 disband following approval or rejection of the proposal, unless the board is a standing
2 board that is created by the city under sub. (3) (g).

3 **SECTION 7.** 66.1105 (4m) (aw) of the statutes is created to read:

4 66.1105 (4m) (aw) If review under this section relates to a short-term tax
5 incremental district, the board may not include any representative chosen by a
6 school district.

7 **SECTION 8.** 66.1105 (6) (a) 12. of the statutes is created to read:

8 66.1105 (6) (a) 12. Notwithstanding subds. 7. and 8., 14 years after the tax
9 incremental district is created if the district is a short-term tax incremental district,
10 except that, if the life of the district is extended under sub. (7) (ao), an allocation
11 under this subsection may be made for the period for which the district is extended
12 not to exceed 27 years.

13 **SECTION 9.** 66.1105 (6) (f) 1. (intro.) of the statutes is amended to read:

14 66.1105 (6) (f) 1. (intro.) Not later than the date on which a tax incremental
15 district terminates under sub. (7) (am) or (ao), a planning commission may amend
16 under sub. (4) (h) the project plan of a tax incremental district to allocate positive tax
17 increments generated by that tax incremental district to another tax incremental
18 district created by that planning commission if all of the following conditions are met:

19 **SECTION 10.** 66.1105 (6) (g) 2. of the statutes is amended to read:

20 66.1105 (6) (g) 2. If the department of revenue receives a notice described under
21 subd. 1. b., it shall continue authorizing the allocation of tax increments to the
22 district under par. (a) during the district's life, as extended by the city, as if the
23 district's costs had not been paid off and without regard to whether any of the time
24 periods specified in par. (a) 2. to 8. or 12. would otherwise require terminating the
25 allocation of such increments.

✓
1 **SECTION 11.** 66.1105 (7) (ao) of the statutes is created to read:

2 66.1105 (7) (ao) Notwithstanding par. (am), for a short-term tax incremental
3 district, 14 years, except that the city that created the district may, subject to sub.
4 (8) (e), request that the joint review board extend the life of the district for not more
5 than 13 years.

✓
6 **SECTION 12.** 66.1105 (7) (c) of the statutes is created to read:

7 66.1105 (7) (c) The department orders the district terminated under s. 66.1105
8 (19). Upon termination under this paragraph, the city becomes liable for all unpaid
9 projects costs actually incurred which are not paid from the special fund under sub.
10 (6) (c), except this paragraph does not make the city liable for any tax incremental
11 bonds or notes issued.

✓
12 **SECTION 13.** 66.1105 (8) (e) of the statutes is amended to read:

13 66.1105 (8) (e) A city shall notify the department of revenue at least one year
14 before the date on which a tax incremental district is required to terminate under
15 sub. (7) (am) or (ao) if a joint review board approves a request to extend the life of the
16 district under sub. (7) (am) or (ao). If a city does not notify the department of revenue
17 by that date, the department may deny the extension.

✓
18 **SECTION 14.** 66.1105 (17) (d) of the statutes is created to read:

19 66.1105 (17) (d) *Short-term tax incremental district exception.* The 12 percent
20 limit in sub. (4) (gm) 4. c. does not apply to a short-term tax incremental district.

✓
21 **SECTION 15.** 66.1105 (18) (b) 11. a. of the statutes is amended to read:

22 66.1105 (18) (b) 11. a. Whether the district's life may be extended under sub.
23 (6) (g) 1. or (7) (am) 2. or 3. or (ao).

✓
24 **SECTION 16.** 66.1105 (19) of the statutes is created to read:

1 66.1105 (19) DISPUTES RELATED TO ENTERPRISE TRANSFERS. (a) In this subsection,
2 “municipality” means a city, village, or town.

3 (b) A municipality in which an enterprise closed or substantially reduced
4 operations may request that the municipality in which the enterprise initiated
5 operations pay not more than the estimated amount of property taxes that would
6 have been paid over the subsequent 5 years by the enterprise if the municipality in
7 which an enterprise closed or substantially reduced operations reasonably believes
8 each of the following:

9 1. The closing or substantial reduction of operations and the initiation of
10 operations of the enterprise constitutes an enterprise transfer, as defined in s.
11 66.1105 (2) (ak).

12 2. The municipality in which the enterprise initiated operations included in
13 project costs expenditures that are not permitted under par. (2) (f) 4. a. in relation
14 to the enterprise.

15 (c) If the municipality in which the enterprise initiated operations denies the
16 request under par. (b), the municipality in which the enterprise closed or
17 substantially reduced operations may petition the department of revenue for a
18 determination of whether par. (b) 1. and 2. applies.

19 (d) If the department of revenue determines that the petitioner municipality
20 has demonstrated the application of par. (b) 1. and 2., the department may order the
21 respondent municipality to pay not more than the estimated amount of property
22 taxes that would have been paid over the subsequent 10 years by the enterprise or
23 may order the tax incremental district be terminated.

24 SECTION 17. 66.1106 (1) (jt) of the statutes is created to read:

1 66.1106 (1) (jt) “Short-term environmental remediation tax incremental
2 district” means an environmental remediation tax incremental district designated
3 as a short-term environmental remediation tax incremental district under sub. (1m)
4 (am) and approved by the joint review board under sub. (3).

5 **SECTION 18.** 66.1106 (1m) (am) of the statutes is created to read:

6 66.1106 (1m) (am) Designates the district as either a full-term environmental
7 remediation tax incremental district or a short-term environmental remediation tax
8 incremental district.

9 **SECTION 19.** 66.1106 (3) (a) of the statutes is amended to read:

10 66.1106 (3) (a) Any political subdivision that seeks to use an environmental
11 remediation tax increment under sub. (2) shall convene a joint review board to review
12 the proposal. The Except as provided in par. (e), the board shall consist of one
13 representative chosen by the school district that has power to levy taxes on the
14 property that is remediated, one representative chosen by the technical college
15 district that has power to levy taxes on the property, one representative chosen by
16 the county that has power to levy taxes on the property that is remediated, one
17 representative chosen by the city, village or town that has power to levy taxes on the
18 property that is remediated and one public member. If more than one city, village or
19 town, more than one school district, more than one technical college district or more
20 than one county has the power to levy taxes on the property that is remediated, the
21 unit in which is located property that has the greatest value shall choose that
22 representative to the board. The public member and the board’s chairperson shall
23 be selected by a majority of the other board members at the board’s first meeting.
24 All board members shall be appointed and the first board meeting held within 14
25 days after the political subdivision’s governing body approves the written proposal

1 under sub. (2). Additional meetings of the board shall be held upon the call of any
2 member. The political subdivision that seeks to act under sub. (2) shall provide
3 administrative support for the board. By majority vote, the board may disband
4 following approval or rejection of the proposal.

5 **SECTION 20.** 66.1106 (3) (e) of the statutes is created to read:

6 66.1106 (3) (e) If review under this section relates to a short-term
7 environmental remediation tax incremental district, the board may not include any
8 representative chosen by a school district.

9 **SECTION 21.** 66.1106 (7) (e) 2. of the statutes is amended to read:

10 66.1106 (7) (e) 2. The donor district terminates under sub. (11) (b) or (bm).

11 **SECTION 22.** 66.1106 (11) (bm) of the statutes is created to read:

12 66.1106 (11) (bm) Fourteen years after the department certifies the short-term
13 environmental remediation tax incremental base of a parcel or contiguous parcels or
14 property under sub. (4), except that the city that created the district may, subject to
15 sub. (12), request that the joint review board extend the life of the district for not
16 more than 13 years.

17 (END)